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457CENTRAL INTELLIGENCE GROUP
INTELLIGENCE REPORT

COUNTRY Austria

DATE: 25X1

INTELDFAX 13
SUBJECT

USIA-Administered Glass Factories

INFO.

DIST. 22 January 1948

PAGES 4
SUPPLEMENT

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Erste Oesterreichische Maschinenglasindustrie A.G., Brunn am Gebirge:

1. Founded as his own firm about 1928 by Oswald Weiss, chief shareholder of the Bleistaedter Tafelglasfabrik of Czechoslovakia, this factory has a modern plant for the manufacture of all kinds of glass, including table, cast, safety, and plate glass. The plant has an annual capacity of approximately 4,000,000 square meters of window glass of various thicknesses. In normal times the factory is able to supply Austrian needs and has a surplus for exportation.
2. After the Anschluss, the plant was "Aryanized" and was assimilated by the Ostdeutsche Glaswerke A.G. of DETAG (Deutsche Tafelglas A.G.).
3. Prior to the German occupation of Austria, Weiss held most of the shares in the joint stock company which owned the plant, although it is said that a few shares were held by an Austrian named Szolleszi, who has left the country.

After the end of the war in 1945, Josef Schramke, who had been manager of the factory before 1938, was appointed by Austrian authorities as public administrator.

4. Last year, the factory was placed under Russian administration and Schramke was dismissed because he did not wish to cooperate in Russian financial transactions. His place was taken by a certain Lorenz from the textile industry, but Schramke's name still appears as public administrator in the Handelsregister. Since Schramke is forbidden to enter the factory and possesses no authority to act for it, a peculiar situation has arisen; the persons now running the plant, according to Austrian commercial law, are not entitled to act in the name of the company and engagements undertaken by them are not binding. Liquid assets of about 5.3 million schillings were withdrawn by the management, and the excellent sales organization of the firm was dissolved. USIA took over sales and now pays the factory 6.70 schillings for one square meter of ordinary window-glass, which is sold for 14.60 schillings, so that USIA pockets 7.90 schillings. In 1945, one square meter cost first 3.60 schillings, then 4.10 schillings and finally a petition to fix the price at 7.30 schillings was submitted.

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to the Austrian Price Control Board: the latter price could not be approved since the plant in the meantime had come under Russian administration. Meanwhile, prices within the glass industry were raised first 20%, then 40%, so that the current selling price is about 12.20 schillings. Consequently, the price of 6.70 schillings paid by USIA is far too low and is insufficient even to cover the expenses of the factory.

5. The Soviet authorities grant loans to the factory in exchange for promissory notes; these sums cover the losses and necessary expenditures. It is clear that the Soviet authorities are aiming at complete financial control of this plant, because they realize that they could never claim it under the terms of the Potsdam agreement but believe they might keep it if the factory is indebted to them. This conclusion may, for example, be drawn from the enormous loss in production costs. Producing 300,000 square meters a month, the factory stands to lose monthly an estimated one and one half million schillings per month; furthermore, since loans of nearly two million schillings were granted by the Russians for various expenditures, economic absorption of the plant by the Russians may be predicted. In this connection, the above-mentioned illegal obligations, controlled by the present management of the company, are of the utmost significance.
6. During recent months, about 280,000 square meters of glass were produced, of which 100,000 square meters were delivered directly by USIA to unknown customers abroad for unknown prices; 36,000 square meters were delivered to the Allies of which 50% went to USIA. The remaining 140,000 square meters were sold to Austrian firms. Comment: The aforementioned figures total 276 schillings). This represents roughly one and a half million square meters yearly for Austria, although present Austrian requirements are estimated at eight million square meters. The Soviet authorities claim 118,000 square meters monthly.
7. Recently, difficulties arose in the sand supply, which comes from a sand pit in Ausschlag-Zoebern. The former owner of the sand pit, who had fled the country, returned and raised the price for sand which means another rise in production costs. At present, production is at a standstill, since a vat is being repaired and work will not be resumed until the end of November 1947.

8. His heirs are represented here by Dr. Huna and a British proxy, Dr. Drucker. Ministerialrat Dr. Hyntze is handling this affair at the Ministry of Property Control and Economic Planning.

Wiener Glashuettenwerke, A.G.

9. The Wiener Glashuettenwerke A.G. has branches in Vienna XXI, Sebastian Kohlsgasse 604 and in Moosbrunn, Niederoesterreich (the latter called Moosbrunner Glasfabrik A.G.). These factories produced cores for incandescent lamps, tubes and mounted tubes for the manufacture of incandescent lamps, as well as flasks for thermos bottles (Glashlampenkolben, Roshren und Gestellrohre fuer Glushlampenfabrikation und Kolben fuer Thermosflaschen). The plant was formerly owned by the Inwald firm, Vienna VI, Mariahilferstrasse 103 and was acquired shortly before March 1938 by the "Hypothek und Creditanstalt" in the course of financial transactions. This bank had sold the plant to the "Thueringische Glasinstrumentenfabrik Eberhard & Jaeger A.G." in Ilmenau, Germany. A minority of the shares remained in the possession of the former manager Haessler of the Inwald firm. The Soviet authorities base their claim to the plant on this change in the ownership of stock.

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10. [redacted] In 1945, the Soviet authorities took the Vienna plant under their administration and appointed "Betrieb"leiter Schwarz, an employee of the firm, as public administrator. Schwarz is said to be a member of the Communist Party. The factory in Moosbrunn was badly damaged during the war and is now in process of reconstruction.
11. The Vienna plant currently produces 8 to 10 million cores for incandescent lamps a year; these are delivered to Osram, a bulb factory under the administration of USIA.

Wiener Glasfabrik Otto Lutzky & Co., Vienna XXI, Jeneungasse 29:

12. The shares of the company are divided as follows: Franz Lutzky (30%), Engineer Gunka (30%) and Otto Lutzky (40%). The factory is located in a building owned by Anna Lutzky, the mother of the Lutzky brothers. By order of the Soviet authorities in Floridsdorf, the factory had come under Russian influence in the same way as the Wiener Glashuettenwerke A.G., and in August 1946, a certain Winter was installed as public administrator. Winter had been an iron worker in the Vienna branch of the Inwald firm; after emigrating to Russia in the thirties, he received training as a so-called Lenin scholar. The factory produces hollow glass, glass for packing and preserving, etc., at the rate of 10 to 12 metric tons per 24 hours. There is no legal basis for maintaining a public administration, yet Soviet authorities would not consent to the appeal of the Ministry of Property Control and Economic Planning for a suspension of public administration. According to information obtained from the partners, the factory is very badly run from a technical and commercial standpoint. Most of the goods are not sold according to a systematic procedure, but are often bought by the laborers. Checks and audits recently ordered by the Ministry are said to have uncovered irregularities.

Glasfabriken Oberdorf Voitsberg, Adolf Koerbitz: Branch in Vienna IV
Margaretenstr. 23:

13. Early in September 1947, the Russian authorities requisitioned the Vienna branch, where goods produced in a subsidiary glass factory in Styria and imported glass wares are sold. When the owner of the firm, Adolf Koerbitz acquired the factory in 1939, he was a Sudeten German, but he now holds Austrian citizenship. An inventory was drawn up at Russian request.
14. The value of the requisitioned goods is estimated at about S 3,000,000. This branch, which is only a small sales outlet, is located in a house valued at S 600,000, belonging to the Oberdorf firm. In case this branch should continue to be held under requisition, the Koerbitz firm will stop sending its goods there, and the Russian authorities will be able to continue operations only by selling glass from some other source, e.g., from the Lutzky firm, or from Alt-Nagelberg (Goelzle firm), or from imported wares. Engineer Abel, a Yugoslav national, is a silent partner in the firm, but Soviet authorities do not recognize the partnership since he is not registered in the Handelsregister. Engineer Koerbitz has approximately a 30% interest in the concern.

Stoelcke's Soehne A.G., Glasindustrie, Vienna IV, Rechte Wienzeile 29:

Eighty-five percent of the shares of this firm are held by the Creditanstalt-Bankverein. The firm is located in three different places in the Russian Zone: Vienna IV, Rechte Wienzeile 29 (office); Vienna XI, Handelsstr. 128a (storehouse); and the factory in Alt-Nagelberg. In March 1946, public administration was imposed on the firm by order of the Russian authorities.

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but was removed in June 1947. Now public administration has been reestablished by the Russians of those parts of the firm within the Russian Zone. The Stoelale A.G., Vienna IX, Liechtensteinstrasse 22, was not touched. Up to the present, Soviet authorities have made no claim against any property of the firm under public administration. A Russian civilian engineer was appointed as economic adviser of the firm.

25X1 Comment: According to statistics compiled by Industry Branch, USACA, the "installed capacity" for the Austrian glass industry can be broken down as follows: plate and mirror glass is almost evenly divided between Soviet and western zones; window glass is 100% in the Soviet Zone (the figure given above, four million square meters, is confirmed), and under window glass production is included all glass envelope production for light bulbs; hollow and table glass are largely in the western zones; optical and strass glass (for costume jewelry) are produced only in the western zones.)

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